



Board of Selectmen

The Wellfleet Board of Selectmen will hold a public meeting on Tuesday, May 16, 2017 at 7:00 p.m. at the Wellfleet Senior Center, 715 Old Kings Highway, Wellfleet, MA 02667. It is anticipated that the meeting will be recorded by the Town. Anyone else desiring to record the meeting may do so only after notifying the chair and may not interfere with the conduct of the meeting in doing so.

- I. Announcements, Open Session and Public Comment [7:00]** *Note: Public comments must be brief. The Board will not deliberate or vote on any matter raised solely during Announcements & Public Comment.*
- II. Business**
 - A. Discussion of and consideration to join Cape Light Compact Joint Powers Entity and sign the Cape Light Compact Joint Powers Agreement**
- III. Adjournment**

RECEIVED

TOWN OF WELLFLEET

NOTICE

Town Clerk

Date stamp 2017 MAY 12 PM 12:09

In accordance with the provisions of MGL Chapter 39, Section 23A, 23B and 23C as amended by chapter 103 of the Acts of 1975, notice is hereby given that a meeting of the following board will be held at the time and place set forth below.

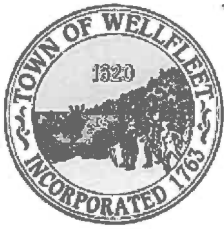
Board of Selectmen on Tuesday, May 16, 2017 at 7:00 PM
Board, Committee, Commission Day Date Time

Senior Center
Place of Meeting

Public Meeting – please see agenda
Purpose


Signed

May 12, 2017
Date



BOARD OF SELECTMEN

AGENDA ACTION REQUEST
Tuesday, May 16, 2017

V

BUSINESS A.

REQUESTED BY:	Cape Light Compact
DESIRED ACTION:	Sign the Cape Light Compact Joint Powers Agreement
PROPOSED MOTION:	Move that the Board of Selectmen vote, pursuant to General Laws chapter 40, section 4A ½, as follows: (1) to join the Cape Light Compact Joint Powers Entity (JPE); (2) to authorize Dennis Murphy, Chair of the Board of Selectmen] to execute the Joint Powers Agreement of the Cape Light Compact JPE subject to final review by Town Counsel; (3) to [appoint <u>Richard Elkin</u> as the Town's Director and <u>Cristiane Mason</u> as the Town's Alternate Director to the Cape Light Compact Joint Powers Entity] <i>or</i>¹ to [authorize Daniel Hoort, Town Administrator to issue a written letter to the Cape Light Compact Joint Powers Entity appointing the Town's Director and Alternate Director]; and (4) to take any other action necessary or relative thereto.
ACTION TAKEN:	Moved By: _____ Seconded By: _____ Condition(s): _____
VOTED:	Yea _____ Nay _____ Abstain _____

¹ Exact form of vote to be determined based on the Town's internal appointment process. Please note that the Town may appoint its Cape Light Compact Director/Alternate to serve as the Town's Cape Light Compact JPE Director/Alternate.



Compact Background



- The Cape Light Compact (CLC) was formed in 1997 to advance the interests of electricity consumers in the wake of the Restructuring Act through its:
 - Power supply program
 - Energy efficiency programs
 - Consumer advocacy at the state level
- Cape Light Compact (CLC) operates under an Intergovernmental Agreement (IGA) between 21 towns and 2 counties of Cape Cod and Martha's Vineyard in accordance with MGL c. 40, s. 4A

CLC Governance



The Cape Light Compact is governed by two documents:

Aggregation Plan	Intergovernmental Agreement
Plan setting forth how CLC operates power supply, energy efficiency, and consumer advocacy programs in accordance with state law	Agreement between member towns on defining the structure of the organization that implements the programs set forth in aggregation plan
Reviewed and approved by the Department of Public Utilities (DPU)	Reviewed and approved by each CLC member



CLC is transitioning from the IGA to a Joint Powers Entity (JPE)

Joint Powers Statute – Next Step for the Compact



- An Act Modernizing Municipal Finance and Government enacted by the MA Legislature as Chapter 218 of the Acts of 2016
 - Allows governmental units to enter into joint powers agreements (JPA) for joint exercise of powers and duties within a region
 - At least two governmental units needed to form a JPA
 - BOS authorize the JPA
 - Joint Powers Entity (JPE) is a separate public entity and can:
 - receive grants
 - receive and expend funds
 - hire employees
 - execute contracts and other instruments necessary for the exercise of its mission
 - JPE offers express liability protection for its members
 - Financial Controls: financial audit, and reporting requirements to member towns and the MA Department of Revenue

CONTACT US AT 800-797-6699 OR WWW.CAPELIGHTCOMPACT.ORG

Why form a Joint Powers Entity (JPE)?



	Current Structure – Compact IGA	Proposed Structure – JPA
Governance	- Member Towns/Counties appoint a Representative to Governing Board - Goals of Compact identified within DPU approved Aggregation Plan	- Members appoint a Director to Board of Directors - Same
Financial	Treasurer functions are performed by Board member	Treasurer functions cannot be performed by a member or staff – must be a separate entity

- Compact's current Intergovernmental Agreement (IGA) expires in 2022
- Goal is for the Compact's member towns to transition from the existing IGA to a Joint Powers Entity through a Joint Powers Agreement (JPA)
- JPE is a separate legal entity

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Why form a Joint Powers Entity (JPE)?



	Current Structure – Compact IGA	Proposed Structure – JPA
Fiscal	- Although not required under IGA statute, Compact has performed annual financial audits through a 3rd party - Although not required, Compact has been providing members with annual reports since 2013	- Required to report to the Dept. of Revenue - Required to perform annual audits and provide annual reports to members
Liability	Requires Governing Board to select a fiscal administrator	- Can perform fiscal and administrative services or contract for the services - Protects member towns/counties from liability, including employee/pension & OPEB liabilities

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Next Steps for a JPE



- Compact legal counsel prepared a draft Joint Powers Agreement (JPA)
- JPA was reviewed by majority of Compact member towns' counsels are their suggested changes were incorporated
- Final draft of JPA is ready for discussion and execution by Cape and Vineyard Boards of Selectmen/Town Council
- 17 Towns have executed the JPA, the JPE will need to:
 - Identify Treasurer and Business Officer (selected)
 - Execute a contract for services with a Certified Public Accountant for Treasurer services
 - Seek guidance from the Department of Public Utilities regarding what, if any, notification/filing is needed for the Compact to be fully operational as the JPE
 - Seek guidance from the Department of Revenue regarding their reporting requirements
- Transition will be over the next several months. Compact members will be informed of JPE progress
 - Compact and the JPA could both exist until expiration of existing Intergovernmental Agreement in 2022 – not preferred option due to challenges: financial accountability
 - Compact goal is to have all 21 member Towns vote on Joint Powers Agreement by June 30, 2017

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JPE Alternatives



- If a Compact member town does not wish to join the JPE, a town may:
 - In order to continue operating as a municipal aggregator, the town would need to petition the DPU in accordance with state law for approval of its own aggregation plan and for approval of its own energy efficiency plan
 - If the town does not petition the DPU for approval to be a municipal aggregator, the town would not be able to administer energy efficiency programs or provide a power supply offer – these services would be provided by the distribution company, Eversource

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JOINT POWERS AGREEMENT OF THE CAPE LIGHT COMPACT JPE

This Joint Powers Agreement (“Agreement”) is effective as of the date set forth in Article I(A) (Effective Date; Formation) below, and is entered into by and among the municipalities and counties listed on Exhibit A hereto (the “Members”), pursuant to the authority of Massachusetts General Laws Chapter 40, §4A ½ and G.L. c. 164, §134.

WHEREAS, the Massachusetts Restructuring Act of 1997 (the “Act”) was enacted during a period where Federal Law allowed for the restructuring of existing electric utilities into separate generation, transmission and distribution companies and, accordingly, the Act set forth a framework for the competitive supply of electric generation service to Massachusetts electric customers and allowed electric customers to choose their electric power supplier; and

WHEREAS, the Cape Light Compact (“Compact”) was entered into with the County of Barnstable, County of Dukes County and the municipalities legally joining therein, pursuant to the authority of Massachusetts General Laws Chapter 40, §4A, through an original Inter-Governmental Agreement effective as of October, 1997 which has been amended from time to time (most recently in November of 2015) and is due to expire in October of 2022 (the “IGA”); and

WHEREAS, under the authority of G.L. c. 164, §134, G.L. c. 25A, §6 and pursuant to the original Inter-Governmental Agreement, adopted October, 1997, as amended, the Compact developed a municipal aggregation plan, setting forth the structure, operations, services, funding and policies of the Compact, approved in D.T.E. 00-47 (August 10, 2000) and approved as updated in D.P.U. 14-69 (May 1, 2015; May 18, 2015); and

WHEREAS, the Compact currently operates a municipal aggregation competitive supply program pursuant to a municipal aggregation plan, setting forth the structure, operations, services, funding and policies of the Compact as most recently approved and updated in D.P.U. 14-69 (May 1, 2015; May 18, 2015) which provides electric power supply on an opt-out basis to customers across all customer classes located on Cape Cod and Martha’s Vineyard and the Compact also provides comprehensive energy efficiency services to Cape Cod and Martha’s Vineyard through the Cape Light Compact Energy Efficiency Plan; and

WHEREAS, it is in the best interests of the Compact’s members to transfer its administrative, fiscal and operational functions to a new independent legal entity, a joint powers entity, prior to expiration of the IGA; and

WHEREAS, members of joint powers entities are afforded express liability protection

from the acts and omissions of the entity and the other participating members; and

WHEREAS, joint powers entities are conferred many express powers by law that are not available to the Compact, including the ability to employ staff; and

NOW THEREFORE, the Members hereby enter into this Agreement and, pursuant to G.L. c. 40, § 4A½, hereby form a body politic and corporate.

ARTICLE I: EFFECTIVE DATE; FORMATION; MEMBERSHIP; LIABILITY OF MEMBERS

A. Effective Date; Formation.

This Agreement shall become effective and the joint powers entity shall exist as a separate public entity on such date as this Agreement is executed by at least two (2) municipal members of the Compact after authorization by each municipal member's Board of Selectmen or other governing body as set forth in G.L. c. 40, §4A½ (as may be amended from time to time, the "Joint Powers Statute"). Such date shall be referred to herein as the "Effective Date." There is formed as of the Effective Date a separate public entity named the Cape Light Compact JPE. The Cape Light Compact JPE shall provide notice to the Members of the Effective Date. The Cape Light Compact JPE shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated or expires in accordance with Article XVI (Term; Termination; Withdrawal) , subject to the rights of the Members to withdraw from the Cape Light Compact JPE.

B. Eligibility for Membership; Addition of Members.

Municipal members of the Compact are eligible for full membership in the Cape Light Compact JPE. Municipal members of the Compact who become members of the Cape Light Compact JPE shall be referred to as "Municipal Members." Barnstable County and Dukes County may participate as limited members as set forth in Article I(E) (County Members) below. This subsection may not be amended unless such amendment obtains the affirmative approval of the Municipal Members whose population is at least equal to 50% of the combined population of all of the Municipal Members of the Cape Light Compact JPE. Subject to the deadlines set forth in Article XVIII(C) (Transfer of Operations), a municipal member of the Compact may become a member of the Cape Light Compact JPE by duly executing this Agreement in accordance with the Joint Powers Statute and delivering an executed copy of this Agreement and a copy of the authorization, vote or resolution as required by the Joint Powers Statute to the Cape Light Compact JPE. The Members acknowledge that membership in the Cape Light Compact JPE may change by the addition and/or withdrawal of Members. The Members agree to participate with such other Members as may later be added. The Members also agree that the withdrawal by a Member shall not affect this Agreement or the remaining Members' continuing obligations under this Agreement.

C. Region.

The region within which the powers and duties provided in this Agreement shall be exercised is Barnstable County and Dukes County. The foregoing sentence shall not be construed as a limitation on the Cape Light Compact JPE's powers in any way, including, but not limited to, its power to offer statewide programs or participate in statewide proceedings (as such programs or proceedings may affect the region), or its power to contract with persons or entities outside the Commonwealth of Massachusetts.

D. Liability of Members.

Members shall not be liable for the acts or omissions of other Members or the region or the Cape Light Compact JPE created by this Agreement, unless the Member has agreed otherwise in this Agreement, or as may be provided for in a separate contract between the Member and the Cape Light Compact JPE. This subsection may not be amended unless such amendment obtains the affirmative approval of the Municipal Members whose population is at least equal to fifty percent (50%) of the combined population of all of the Municipal Members of the Cape Light Compact JPE.

This Agreement is not intended to impose any independent financial liabilities on the Members. Each Member shall remain responsible for its own debts and other financial liabilities, except as specifically provided herein, or as may be provided for in a separate contract between a Member and the Cape Light Compact JPE.

E. County Members.

Barnstable County and Dukes County may participate as limited members of the Cape Light Compact JPE and shall be referred to herein as the "County Members," or collectively with the Municipal Members as the "Members." The County Members shall not be permitted to vote on matters concerning aggregated power supply, energy efficiency plans and programs or other such matters committed to municipal aggregators pursuant to any provision of the Massachusetts General Laws. Other limitations on the participation rights of County Members are set forth elsewhere in this Agreement.

A county member of the Compact may become a Member of the Cape Light Compact JPE by duly executing this Agreement in accordance with the Joint Powers Statute. Each County Member shall provide a duly authorized signature page for attachment hereto.

ARTICLE II: GOALS; POLICIES; PURPOSES

The Cape Light Compact JPE's goals, policies and purposes include, without limitation, the following:

- a) providing the basis for aggregation of all consumers on a non-discriminatory basis;

- b) negotiating the best terms and conditions for electricity supply and transparent pricing;
- c) exploring all available options for negotiating the best terms and conditions for electricity supply and the development of renewable energy resources, including, without limitation, the formation of and/or membership in a co-operative organization to purchase or produce energy or renewable energy certificates ("RECs") or both on a long-term, basis;
- d) providing equal sharing of economic savings based on current electric rates and/or cost-of-service ratemaking approved by the Department of Public Utilities or its successor ("DPU");
- e) providing and enhancing consumer protection and options for service under contract provisions and to allow those consumers who choose not to participate to opt-out;
- f) improving quality of service and reliability;
- g) encouraging environmental protection through contract provisions;
- h) utilizing and encouraging renewable energy development to the extent practicable through contract provisions, demonstration projects and state mandated system benefit charges for renewable energy;
- i) administering an energy efficiency plan that advances consumer awareness and the adoption of a wide variety of energy efficiency measures and that also utilizes and encourages demand side management, all through contract provisions, demonstration projects and the use of state mandated system benefit charges for energy efficiency and other related charges and funds;
- j) advancing specific community goals that may be selected from time to time, such as placing utility wires underground;
- k) providing full public accountability to consumers; and
- l) utilizing municipal and other powers and authorities that constitute basic consumer protection to achieve these goals.

The Cape Light Compact JPE shall accomplish the foregoing purposes through the following: (i) operation of energy efficiency programs; (ii) developing or promoting the development of renewable energy resources and projects; (iii) procuring competitive electric supply for its customers; (iv) procuring RECs; (v) participating in regulatory and legislative proceedings; and (vi) consumer advocacy.

ARTICLE III: POWERS OF THE CAPE LIGHT COMPACT JPE

The Cape Light Compact JPE is a body politic and corporate with power to:

- a) sue and be sued;
- b) make, negotiate and execute contracts and other instruments necessary for the exercise of the powers of the region, provided, however, that any contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, shall not impose direct or individual financial obligations on any Member until approved by such individual Member, as the case may be;
- c) make, amend and repeal policies and procedures relative to the operation of the region in accordance with the Joint Powers Statute and other limitations as may be applicable under state law;
- d) receive and expend funds, including funds derived from the state mandated system benefit charges and to use such funds in accordance with state law;
- e) apply for and receive grants from the commonwealth, the federal government and other public and private grantors;
- f) submit an annual report to each Member, which shall contain a detailed audited financial statement and a statement showing the method by which the annual charges assessed against each governmental unit (if any) were computed;
- g) borrow money, enter into long or short-term loan agreements or mortgages and apply for state, federal or corporate grants or contracts to obtain funds necessary to carry out the purposes of the Cape Light Compact JPE, provided, however, that such borrowing, loans or mortgages shall be consistent with this Agreement, standard lending practices and G.L. c. 44, §§16-28;
- h) subject to G.L. c. 30B (or other applicable procurement laws), enter into contracts for the purchase of supplies, materials and services and for the purchase or lease of land, buildings and equipment, as considered necessary by the Governing Board;
- i) as a public employer, to hire staff;
- j) to plan projects;
- k) to implement projects and/or conduct research;
- l) adopt an annual budget and to direct the expenditure of funds made available to the Cape Light Compact JPE by grant or contribution from public and private sector entities, or on account of any contract negotiated or administered by the Cape Light Compact JPE;

- m) to acquire property by gift, purchase or lease;
- n) to construct equipment and facilities;
- o) to apply for and receive contributions and other such financial assistance from public and private sector entities or to receive amounts derived as a portion of the savings on, or as a surcharge, dedicated mills/kilowatt hour fee or other such charge as part of any electric energy purchase or similar contract negotiated and/or administered by the Cape Light Compact JPE and, to the extent required herein, agreed to by each Member to be financially bound thereby;
- p) to engage consultants, attorneys, technical advisors and independent contractors;
- q) to adopt bylaws to govern its internal affairs;
- r) to reimburse persons who have advanced funds;
- s) to enforce agreements or otherwise prosecute claims on behalf of Members and coordinate their defense in any claim made against them relating to any agreement or other matter related to the Cape Light Compact JPE;
- t) to invest funds;
- u) to procure insurance;
- v) to obtain project-related financing through any mechanism such as the federal Clean Renewable Energy Bond program or similar or successor programs, and other financing options;
- w) to contract with an agent, including, without limitation, a regional government or a Member, to manage or accomplish any of its functions or objectives;
- x) to enter into agreements with state, quasi-state, county and municipal agencies, cooperatives, investor-owned utilities and other private entities, all as is convenient or necessary to manage or accomplish any of the Cape Light Compact JPE's functions or objectives; and
- y) any such other powers as are necessary to properly carry out its powers as a body politic and corporate.

ARTICLE IV: SERVICES; ACTIVITIES; UNDERTAKINGS

The services, activities or undertakings to be jointly performed within the region are as follows: (i) power supply procurement; (ii) offering of energy efficiency programs; (iii) participation in regulatory and legislative proceedings; (iv) education of the public and government regarding energy issues; and (v) such other services, activities, and undertakings as set forth in Article II (Goals, Policies; Purposes).

ARTICLE V: GOVERNING BOARD

A. Powers of the Governing Board.

In accordance with the Joint Powers Statute, the Cape Light Compact JPE shall be governed by a board of directors consisting of the Directors from the Municipal Members (the "Governing Board"). The Governing Board shall be responsible for the general management and supervision of the business and affairs of the Cape Light Compact JPE, except with respect to those powers reserved to the Members by law or this Agreement. The Governing Board shall coordinate the activities of the Cape Light Compact JPE and may establish any policies and procedures necessary to do so. The Governing Board may from time to time, to the extent permitted by law, delegate any of its powers to committees, subject to such limitations as the Governing Board may impose. The Governing Board may delegate to the Executive Committee (as set forth below in Article V(C) (Executive Committee)) the powers to act for the Governing Board between regular or special meetings of the Governing Board. The Governing Board may designate persons or groups of persons as sponsors, benefactors, contributors, advisors or friends of the Cape Light Compact JPE or such other title as they may deem appropriate and as is consistent with applicable law.

The Governing Board shall establish and manage a fund or funds to which all monies contributed by the Members, and all grants and gifts from the federal or state government or any other source shall be deposited.

The Governing Board may borrow money, enter into long or short-term loan agreements or mortgages and apply for state, federal or corporate grants or contracts to obtain funds necessary to carry out the purposes of the Cape Light Compact JPE. The borrowing, loans or mortgages shall be consistent with this Agreement, standard lending practices and G.L. c. 44, §§ 16-28. The Governing Board may, subject to G.L. c. 30B (or other applicable procurement laws), enter into contracts for the purchase of supplies, materials and services and for the purchase or lease of land, buildings and equipment, as considered necessary by the Governing Board.

B. Number, Qualifications and Term of Office.

The Governing Board shall consist of one Director for each Municipal Member. In the absence of a Director, his or her alternate shall be entitled to vote and otherwise exercise all of the powers of such Director. The Directors, and alternate directors, shall be selected by each Municipal Member in accordance with its municipal appointment rules and procedures and for such term as may be established by their respective appointing authorities. Except as hereinafter provided, the Directors (and alternates) shall hold office until the next selection of Directors (and alternates) by each such Member and until his or her successor is selected. Directors shall be subject to any limitations or direction established by their appointing authorities. The Cape Light Compact JPE shall not be responsible for interpreting or enforcing any such limitations that may be established by the appointing authorities. Further, any action on the part of the Cape Light Compact JPE shall not be rendered void or invalid as a result of a Director's failure to abide by any such limitations. The sole remedy of an appointing authority in such instance is to remove

and replace such Director.

Each County Member may appoint a representative to attend Governing Board meetings (the "County Representative"). County Representatives may participate in Governing Board discussions and nonbinding Governing Board votes.

C. Executive Committee.

At such time as there are more than five (5) Municipal Members, there shall be an Executive Committee composed of no less than five (5) Directors elected by the Governing Board from among the Directors appointed by the Municipal Members. The Executive Committee shall be selected by majority vote of all of the Directors of the Municipal Members. In addition to the delegation of powers set forth in Article V(A) (Powers of Governing Board), the powers of the Board of Directors shall be delegated to the Executive Committee in the following circumstances: (i) when a quorum of the full Governing Board is not present for a regularly scheduled meeting; and (ii) exigent circumstances require Governing Board action, and there is insufficient time to convene a regular meeting of the Governing Board.

The Executive Committee shall conduct its business so far as possible in the same manner as is provided by this Agreement by the Governing Board. A majority of the Executive Committee shall constitute a quorum. The Executive Committee shall keep records of its meetings in form and substance as may be directed by the Governing Board and in accordance with the Open Meeting Law, G.L. c. 30A, §§18-25, and other applicable law.

Any Director who is not a member of the Executive Committee may attend and participate in Executive Committee meetings, but may not vote. Attendance may be in-person or by telephone.

From time to time upon request and at each meeting of the Board of Directors, the Executive Committee shall make a full report of its actions and activities since the last meeting of the Governing Board.

If two (2) members of the Executive Committee object to the affirmative action taken by the Executive Committee, they may appeal such decision within forty-eight (48) hours of such action or vote by requesting a special meeting of the Governing Board in accordance with Article VI(C) (Special Meetings) which must occur as soon as possible but no later fourteen (14) days after the Executive Committee action if the original Executive Committee action was necessitated by exigent circumstances. At such special meeting, the Governing Board may overturn the action or vote of the Executive Committee by a two-thirds vote of the Directors. A vote by the Executive Committee to take no action cannot be appealed.

D. Manner of Acting and Quorum.

The Governing Board shall act by vote of a majority of the Directors of the Municipal Members present and voting at the time of the vote. Unless altered by the Governing Board in

accordance with this Agreement, each Municipal Member shall be entitled to select one (1) Director whose vote shall be equal in weight to the Director of any other Municipal Member, except as expressly set forth in the succeeding paragraphs. Directors may participate in meetings remotely in accordance with the regulations of the Office of the Attorney General governing remote participation, 940 C.M.R. 29.10. In accordance with 940 C.M.R. 29.10 and the Open Meeting Law, G.L. c. 30A, §§ 18-25, a simple majority of the Directors of the Municipal Members must be physically present to attain a quorum. County Representatives shall not count towards a quorum as they have limited participation rights. Directors abstaining from voting shall be counted for meeting quorum purposes, but their votes shall not count with respect to the matters they abstain from voting on. By way of example, if ten (10) Directors from the Municipal Members are present and four (4) abstain from voting, and the remaining Directors split their votes four (4) in favor, two (2) against, the motion would pass.

While a quorum is present, unless another provision is made by law, this Agreement or by the Cape Light Compact JPE's own rules, all business shall be determined by a majority vote of the Directors of the Municipal Members then present and voting. Notwithstanding the foregoing, any vote involving a matter concerning issues which would or could bear in a direct and material fashion on the financial interests of the Municipal Members shall be taken by a weighted vote in which the vote of each Director shall be weighted in the same proportion as the population of the Municipal Member such Director represents bears to the whole population of the Municipal Members of the Cape Light Compact JPE, such population as determined, in the case of Barnstable County, by the most recent federal census, or decennial census, and, in the case of Dukes County, by the most recent data available from the Martha's Vineyard Commission. In case of a dispute as to whether a vote shall be taken on a weighted basis as set forth in this paragraph or on a one (1) town, one (1) vote basis as set forth in the preceding paragraph of this subsection, the determination shall be made by weighted vote as set forth herein. Exhibit B sets forth the population for each Municipal Member, and provides an example of a vote taken in accordance with weighted voting procedures.

E. Rules and Minutes; Meeting Announcements.

The Governing Board shall determine its own rules and order of business, unless otherwise provided by law or this Agreement. The Governing Board shall also provide for the keeping of minutes of its proceedings in accordance with the Open Meeting Law. All regular and Executive Committee meeting announcements shall be sent to all Directors and County Representatives.

F. Voting.

If requested by any Director and as may be required by law, a vote of the body shall be taken by a roll call and the vote of each Director shall be recorded in the minutes, provided, however, if any vote is unanimous only that fact need be recorded. Pursuant to the Open Meeting Law, roll call votes are required for the following: (i) a vote to go into executive session; (ii) votes taken in executive session; and (iii) votes taken in open session when one or more Directors is participating remotely.

G. Resignation and Removal.

1. Resignation.

Any Director or County Representatives (or their alternates) may resign at any time upon written notice to the remaining Governing Board. A Director may resign from the Executive Committee and still keep his or her position as a Director. The resignation of any Director (or alternate) or resignation from the Executive Committee shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

2. Removal.

Any Director (or alternate) may be removed at any time with or without cause by his or her appointing authority. The Governing Board may send a notice to an appointing authority requesting removal of a Director for cause as specified in such notice. For cause removal shall include, but not be limited to, disclosure of documents exempt from disclosure under the Massachusetts Public Records Law in violation of G.L. c. 268A, §23(c)(2), or disclosure of matters discussed during executive session prior to release of executive session minutes.

A Director from a Municipal Member who fails to attend at least half of the Directors' meetings annually shall be automatically removed, unless such Director has requested an exemption from this requirement due to special circumstances (i.e., prolonged illness, conflicting work/personal commitments). Annual attendance shall be calculated on a calendar year basis. The secretary (or other officer of as may be designated by the Governing) shall report on the annual attendance of Directors as requested by the Governing Board. In each vote implementing the removal of a Director, the Governing Board shall state an official removal date, which shall generally take place within ninety (90) to one hundred and eighty days (180) in order to give the Municipal Member who appointed such Director an opportunity to replace such Director. A Municipal Member whose Director is removed shall be given immediate notice of such removal. A Director who has been removed or a Municipal Member whose Director has been removed may petition the Governing Board for reinstatement and he or she shall be given notice and an opportunity to be heard before the Governing Board on such matter within ninety (90) days of such request.

H. Vacancies.

1. Vacancies on the Governing Board.

The remaining Directors may act despite a vacancy in the Governing Board. A vacancy in the Governing Board of a Director from a Municipal Member shall be promptly filled, but in no case more than sixty (60) days thereafter, by the appointing authority of the Municipal Member which originally selected such Director. Each Director chosen to fill a vacancy on the Governing Board shall hold office until his or her successor shall be appointed and qualified by his or her appointing authority. Insofar as there is no Director then in office representing a

Municipal Member, the alternate shall act in his or her stead. If a Municipal Member has not appointed an alternate, the Director position shall be considered vacant for that particular Municipal Member and it shall not be counted for quorum purposes under Article V(D) (Manner of Acting and Quorum) or for the purposes of the Open Meeting Law until the Municipal Member fills the vacancy and/or appoints an alternate.

2. Vacancies on the Executive Committee.

Vacancies on the Executive Committee shall be filled in the same manner as the position was originally filled.

3. No Right to Compensation.

No Director shall receive an additional salary or stipend for his or her service as a Governing Board member. Directors are not eligible for health insurance or other benefits provided to employees of the Cape Light Compact JPE.

ARTICLE VI: MEETINGS OF THE GOVERNING BOARD

A. Place.

Meetings of the Governing Board, including meetings of the Executive Committee, shall be held at such place within Barnstable County or Dukes County, or at such other place as may be named in the notice of such meeting.

B. Regular Meetings.

Regular meetings may be held at such times as the Governing Board may fix but no less frequently than quarterly.

C. Special Meetings.

Special meetings of the Governing Board may be called by the chairman or any other officer or Director at other times throughout the year.

D. Notice.

In addition to the personal notice to Directors and County Representatives set forth in Article V(E) (Rules and Minutes; Meeting Announcements), public notice of any regular meeting shall be made in compliance with the Open Meeting Law and other applicable law. Forty-eight (48) hours' notice to Directors and County Representatives by mail, electronic mail, telegraph, telephone or word of mouth shall be given for a special meeting unless shorter notice is adequate under the circumstances, provided, however, that public notice of such special meeting has been made in compliance with applicable law. A notice or waiver of notice need not specify the purpose of any special meeting. Personal notice of a meeting need not be given to any Director

or County Representative if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her.

E. Vote of Interested Directors.

A Director or County Representative who is a member, stockholder, trustee, director, officer or employee of any firm, corporation or association with which the Cape Light Compact JPE contemplates contracting or transacting business shall disclose his or her relationship or interest to Governing Board. No Director or County Representative so interested shall deliberate or vote on such contract or transaction. The affirmative vote of a majority of the disinterested Directors present and voting hereof shall be required before the Cape Light Compact JPE may enter into such contract or transaction.

In case the Cape Light Compact JPE enters into a contract or transacts business with any firm, corporation or association of which one or more of its Directors is a member, stockholder, trustee, director, officer, or employee, such contract or transaction shall not be invalidated or in any way affected by the fact that such Director or County Representative have or may have interests therein which are or might be adverse to the interests of the Cape Light Compact JPE. No Director or County Representative having disclosed such adverse interest shall be liable to the Cape Light Compact JPE or to any creditor of the Cape Light Compact JPE or to any other person for any loss incurred by it under or by reason of any such contract or transaction, nor shall any such Director or County Representative be accountable for any gains or profits to be realized thereon.

Nothing contained herein shall affect the compliance of any Director or County Representative or the Governing Board or the Cape Light Compact JPE with G.L. c. 268A, as set forth in Article VIII (G.L. c. 268A), below.

ARTICLE VII: OPEN MEETING LAW; EXECUTIVE SESSIONS

The meetings of the Governing Board are subject to the Massachusetts law governing open meetings of governmental bodies and governmental boards and commissions, including the Open Meeting Law. The Governing Board is therefore required to maintain accurate records of its meetings, setting forth the date, time, place, Directors present or absent and action taken at each meeting, including executive sessions.

In accordance with the Open Meeting Law, the Governing Board may hold an executive session after an open meeting has been convened and a recorded roll call vote has been taken to hold an executive session. Executive sessions may be held only for the purposes specifically enumerated in the Open Meeting Law, including, but not limited to, to discuss energy-related trade secrets or confidential information, or litigation strategy.

Matters discussed in executive sessions of the Governing Board must be treated as confidential, and disclosure of such matters is a violation of G.L. c. 268A, §23(c)(2). A violation

of confidentiality may lead to disciplinary action as established by the Governing Board, including a request for removal of a Director in accordance with Article V(G)(2) (Removal).

ARTICLE VIII: G.L. c. 268A

Directors, County Representatives, officers and employees of the Cape Light Compact JPE are subject to the provisions of the Massachusetts Conflict of Interest Law, G.L. c. 268A, and shall act at all times in conformity therewith. Public employees who work for two (2) or more public entities may find that each agency has an interest in a particular matter. Any employee, officer, County Representative or Director may request free legal advice from the State Ethics Commission about how the Conflict of Interest Law applies to them in a particular situation. This process is explained at <http://www.mass.gov/ethics/commission-services/request-advice.html>. Directors may also request a formal conflict of interest opinion from town counsel pursuant to G.L. c. 268A, §22.

In accordance with G.L. c. 268A, §23(c)(2), Directors, County Representatives, officers and employees of the JPE are prohibited from improperly disclosing materials or data that are exempt from disclosure under the Public Records Law, and were acquired by him or her in the course of his or her official duties, and may not use such information to further his or her personal interest.

ARTICLE IX: OFFICERS; STAFF; SERVICE PROVIDERS

A. Election.

At its first meeting of the calendar year, the Governing Board shall elect a chairman, vice chairman, treasurer, secretary and business officer and such other officers as the Governing Board shall determine. The term of office for those so elected shall be one (1) year and until their respective successors are elected and qualified. Other than the treasurer and business officer, all officers must be a Director and, upon selection of a successor Director by such officer's appointing Member, such officer shall immediately tender notice thereof to the Cape Light Compact JPE and the Governing Board shall select a replacement among the various Directors from the Municipal Members for the remaining term of such officer.

B. Qualifications.

Two (2) or more offices may be held by the same person, except the offices of chairman, secretary or treasurer.

C. Vacancies.

Any vacancy occurring among the officers, however caused, may be filled by the Directors from the Municipal Members for the unexpired portion of the term.

D. Removal and Resignation of Officers.

1. Removal.

Any officer of the Cape Light Compact JPE may be removed from his or her respective offices with or without cause by resolution adopted by a majority of the Directors present and voting at any regular or special meeting of the Governing Board.

2. Resignation.

Any officer may resign at any time by giving his or her resignation in writing to the chairman, treasurer, secretary, the Cape Light Compact JPE Administrator, or Director of the Cape Light Compact JPE. An officer may resign as officer without resigning from other positions in the Cape Light Compact JPE, including positions on the Executive Committee or as Director.

E. Sponsors, Benefactors, Contributors, Advisors, Friends of the Cape Light Compact JPE.

Persons or groups of persons designated by the Governing Board as sponsors, benefactors, contributors, advisors or friends of the Cape Light Compact JPE or such other title as the Governing Board deems appropriate shall, except as the Governing Board shall otherwise determine, serve in an honorary capacity. In such capacity they shall have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum and shall have no other rights or responsibilities.

F. Chairman.

The chairman shall preside at all meetings at which he or she is present. Unless otherwise directed by the Governing Board, all other officers shall be subject to the authority and supervision of the chairman. The chairman also shall have such other powers and duties as customarily belong to the office of chairman or as may be designated from time to time by the Governing Board.

G. Vice Chairman.

The vice chairman shall assist the chairman and preside at meetings at which the chairman is not present. The vice chairman also shall have such other powers and duties as customarily belong to the office of vice chairman or as may be designated from time to time by the Governing Board.

H. Treasurer and Business Officer.

The Governing Board shall appoint a treasurer who may be a treasurer of one of the Municipal Members. No Director or other employee of the Cape Light Compact JPE shall be

eligible to serve concurrently as treasurer. The treasurer, subject to the direction and approval of the Governing Board, shall be authorized to receive, invest and disburse all funds of the Cape Light Compact JPE without further appropriation. The treasurer shall give bond for the faithful performance of his or her duties in a form and amount as fixed by the Governing Board. The treasurer may make appropriate investments of the funds of the Cape Light Compact JPE consistent with G.L. c. 44, § 55B.

The Governing Board shall appoint a business officer who may be a city auditor, town accountant or officer with similar duties, of one of the Municipal Members. The business officer shall have the duties and responsibilities of an auditor or accountant pursuant to G.L. c. 41, §§52 and 56 and shall not be eligible to hold the office of treasurer.

If the Cape Light Compact JPE is using a service provider pursuant to Article IX(M) (Service Providers) to handle Cape Light Compact JPE funds, the Governing Board shall consider using one or more employees of such service provider to serve as treasurer or business officer.

I. Secretary.

The secretary shall arrange for the recording, consistent with applicable law, of all proceedings of the Governing Board, Executive Committee and any other such committee in a book or books to be kept therefor, and have such powers and duties as customarily belong to the office of clerk or secretary or as may be designated from time to time by the chairman or the Governing Board.

J. Other Officers.

The Governing Board shall retain legal counsel for the Cape Light Compact JPE. The Cape Light Compact JPE's legal counsel may jointly represent the Cape Light Compact JPE's Municipal Member or other parties in accordance with this Article XIX(I) (Shared Legal Representation) of this Agreement.

The Cape Light Compact JPE shall designate a Chief Procurement Officer, whose role, in accordance with G.L. c. 30B (or other applicable procurement laws) and other applicable provisions of law, shall be to select proposals for and facilitate the award of contracts on behalf of the Cape Light Compact JPE, with input from Directors, the Cape Light Compact JPE staff, counsel and others, as such Chief Procurement Officer sees fit. Notwithstanding the foregoing, the Governing Board may determine that the Cape Light Compact JPE, as long as consistent with applicable law, will select proposals and award contracts in another manner.

Other officers shall have such powers as may be designated from time to time by the Governing Board.

K. The Cape Light Compact JPE Administrator.

The Governing Board shall appoint a JPE Administrator who shall be an employee of the Cape Light Compact JPE. In general, the Cape Light Compact JPE Administrator shall serve as the chief administrative and operating officer and supervise, direct and be responsible for the efficient administration of the business of the Cape Light Compact JPE.

More specifically, the Cape Light Compact JPE Administrator shall be responsible for:

- (i) Implementing the goals and carrying out the policies of the Cape Light Compact JPE Governing Board;
- (ii) Maintaining the complete and full records, reports and filings associated with the financial and administrative activity of the Cape Light Compact JPE;
- (iii) Planning and directing all administrative and operational functions of the Cape Light Compact JPE consistent with budgets approved by the Governing Board;
- (iv) Managing the hiring process, supervising and directing the work of all staff consistent with budgets and strategic goals approved by the Governing Board;
- (v) Consulting and advising the Governing Board as to the business, operational and strategic concerns of the Cape Light Compact JPE including fiscal affairs, legal and operational issues, and major program initiatives;
- (vi) Regularly attending all Governing Board meetings and answering all questions addressed to him or her;
- (vii) Managing the Cape Light Compact JPE's legal affairs, including directing the Cape Light Compact JPE's participation in regulatory and judicial proceedings, consistent with relevant budgets approved by the Governing Board;
- (viii) Managing the Cape Light Compact JPE's energy efficiency program in accordance with all applicable laws and the rules and regulations of the DPU, or any successor entity;
- (ix) Negotiating and executing contracts for power supply procurement, renewable energy certificates, energy efficiency contracts, contracts for professional services and legal services in order to achieve the strategic goals and business purposes of the governing board; and
- (x) Perform such other duties as may be directed by the Governing Board from time to time, or as may be necessary or advisable to fulfill the Cape Light Compact JPE's objectives.

The Governing Board may elect to expand, limit or otherwise amend the foregoing responsibilities by replacing this Article IX(K) with a list of responsibilities set forth in Exhibit C.

L. Cape Light Compact JPE Staff.

The Cape Light Compact JPE shall be a public employer. The Governing Board may employ personnel to carry out the purposes of this Agreement and establish the duties, compensation and other terms and conditions of employment of personnel. The Governing Board shall take all necessary steps to provide for continuation of membership in a valid and existing public employee retirement system.

M. Service Providers.

The Governing Board may appoint or engage one or more service providers to serve as the Cape Light Compact JPE's administrative, fiscal or operational agent in accordance with the provisions of a written agreement between the Cape Light Compact JPE and the service provider. A Municipal Member may contract with the Cape Light Compact JPE to be a service provider. The service provider agreement shall set forth the terms and conditions by which the service provider shall perform or cause to be performed the requested services. This subsection (M) shall not in any way be construed to limit the discretion of the Cape Light Compact JPE to hire its own employees to perform such functions.

ARTICLE X: BUDGET; FINANCING; BORROWING; AND RELATED MATTERS

A. Budget; Segregation of Funds; Expenditures.

Prior to the beginning of each fiscal year, the Cape Light Compact JPE staff shall work with the Governing Board to prepare a proposed operating budget. The Cape Light Compact JPE shall adopt an operating budget for each fiscal year and direct the expenditure of funds in accordance with applicable law. The operating budget and any amendments thereto shall be approved by a weighted vote of the Governing Board in accordance with Article V(D) (Manner of Acting and Quorum).

All funds of the Cape Light Compact JPE shall be held in separate accounts in the name of the Cape Light Compact JPE and not commingled with funds of any other person or entity. All funds of the Cape Light Compact JPE shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements. The Governing Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the Cape Light Compact JPE. All expenditures shall be made in accordance with the approved budget and in accordance with any applicable procedures or controls as may be authorized by the Governing Board.

B. Financing.

The Cape Light Compact JPE shall finance the joint services, activities or undertakings within the region in the manner set forth in this Article X. Upon the transfer of operations as set forth in Article XVIII(C) (Transfer of Operations), the Cape Light Compact JPE may collect a kilowatt hour charge or equivalent of up to a mil per kilowatt hour, from consumers participating in the municipal aggregation power supply program. The amount collected may be up to 1 mil (\$.001), or such lower amount as the Cape Light Compact JPE Administrator may determine, for every kilowatt hour sold to consumers for the duration of service under a competitive electric supply agreement (this charge is referred to as an “Operational Adder”). The Cape Light Compact JPE will primarily use the Operational Adder funds to support the municipal aggregation power supply program budget and other costs associated with implementing the powers and purposes of the Cape Light Compact JPE. The level of the Operational Adder shall be determined during the annual operating budget process based upon the projected expenses of the Cape Light Compact JPE. All uses of the Operational Adder shall follow the Cape Light Compact JPE budget appropriation process.

Upon the transfer of operations as set forth in Article XVIII(C) (Transfer of Operations), funding for the Cape Light Compact JPE’s energy efficiency activities shall come in part from the mandatory system benefits charges imposed on consumers in accordance with G.L. c. 25, §19(a), which funds energy efficiency programs administered by municipal aggregators with energy plans certified by the DPU under G.L. c. 164, §134(b). In addition, in accordance with G.L. c. 25, §19(a), the Cape Light Compact JPE’s energy efficiency activities may also be funded by revenues from the forward capacity market administered by ISO New England Inc., revenues from cap and trade pollution control programs (e.g., Regional Greenhouse Gas Initiative), other funding sources and an energy efficiency surcharge, as approved by the DPU or a successor thereto. In addition, the Cape Light Compact JPE shall finance the joint services, activities or undertakings within the region with grants from the commonwealth, the federal government and other public and private grantors.

C. Borrowing.

The Cape Light Compact JPE is authorized to incur borrowing pursuant to the Joint Powers Statute. There are no limitations on the purposes, terms and amounts of debt the Cape Light Compact JPE may incur to perform such services, activities or undertakings, except as may established by law.

ARTICLE XI: COOPERATION; AUTHORITY DOCUMENTS

The Members agree to act in good faith and use their best efforts to effectuate the intent and purpose of this Agreement. All parties to this Agreement shall cooperate to the fullest extent possible.

The Members acknowledge and agree that the authority of the Cape Light Compact JPE will be evidenced and effectuated through this Agreement and through Governing Board votes,

resolutions and various documents duly adopted by the Governing Board. The Members agree to abide by and comply with the terms and conditions of all such votes, resolutions and documents that may be adopted by the Governing Board, subject to the Members' right to withdraw from the Cape Light Compact JPE as described in Article XVI (Term; Termination; Withdrawal).

ARTICLE XII: ELECTRICITY AND OTHER AGREEMENTS

Pursuant to this Agreement, the Members and private consumers may enter into contracts for the distribution, transmission and/or supply of electricity, for the purchase of energy and RECs, and for project financing in support thereof, provided, however, that any contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, shall not impose direct or individual financial obligations on any Members until approved by such individual Member, as the case may be, and further, that any contract shall indemnify and hold harmless the Cape Light Compact JPE and its Members from any financial liability or provide commercially reasonable indemnification with respect to the provision of such products or services.

ARTICLE XIII: OTHER APPLICABLE LAWS

Nothing in this Agreement or in any negotiated contract for the supply of electricity shall be construed to supersede, alter or otherwise impair any obligation imposed on any Member by otherwise applicable law.

ARTICLE XIV: INDEMNIFICATION OF DIRECTORS; LIABILITY OF DIRECTOR AND OFFICERS; INSURANCE; INDEMNIFICATION OF MEMBERS

A. Indemnification of Directors.

The Cape Light Compact JPE shall, to the extent legally permissible, indemnify the Directors, County Representatives, officers and Members. All contracts negotiated or undertaken by the Cape Light Compact JPE shall also include, to the maximum extent feasible, indemnification of the Directors, County Representatives, officers and the Members.

B. Liability of Directors, Officers, and Employees.

The Directors, County Representative, officers, and employees of the Cape Light Compact JPE shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, County Representative, officer, or employee.

C. Insurance.

The Cape Light Compact JPE shall acquire such insurance coverage as the Governing Board deems necessary to protect the interests of the Cape Light Compact JPE, the Members,

the Directors and officers, employees and the public. If possible, such insurance coverage shall name the Members as additional insureds. If the Cape Light Compact JPE has employees, it shall obtain worker's compensation insurance.

D. Indemnification of Members.

The Cape Light Compact JPE shall defend, indemnify and hold harmless the Members from any and all claims, losses, damages, costs, injuries and liabilities of every kind to the extent arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Cape Light Compact JPE under this Agreement, and not arising directly or indirectly from the negligent or intentional actions of any Member. In addition, the Cape Light Compact JPE shall not be responsible for indemnifying any Member for any claims, losses, damages, costs or injuries arising from any duties that such Member has agreed to assume in a contract with the Cape Light Compact JPE.

ARTICLE XV: AMENDMENT; REVISION OF EXHIBITS

Except as set forth below in the following paragraph, this Agreement may be altered, amended, or repealed, in whole or in part, by the affirmative vote of Directors of Municipal Members whose population is at least equal to 50% of the combined population of all of the Municipal Members of the Cape Light Compact JPE. Notice of proposed amendments shall be sent to Members at least thirty (30) days before any Governing Board vote on such amendments in accordance with Article XIX(D) (Notices).

Certain amendments to this Agreement and certain actions of the Cape Light Compact JPE shall require the affirmative approval of the Municipal Members whose population is at least equal to 50% of the combined population of all of the Municipal Members of the Cape Light Compact JPE: (i) Article I(B) (Eligibility for Membership; Addition of Members); and (ii) Article I(D) (Liability of Members).

In addition, termination of the Cape Light Compact JPE shall require the approval of all Municipal Members.

The Municipal Members agree that Exhibits A (List of Members), B (Weighted Voting) and C (JPE Administrator Responsibilities) to this Agreement set forth certain administrative matters that may be revised by the Cape Light Compact JPE Administrator in accordance with Governing Board authorization without such revision constituting an amendment to this Agreement. The Cape Light Compact JPE shall provide written notice to the Members of the revision to such exhibits.

ARTICLE XVI: TERM; TERMINATION; WITHDRAWAL

This Agreement shall continue in effect for a term not to exceed twenty-five (25) years. At the conclusion of the term, taking into account any changed circumstances, the Municipal Members shall in good faith negotiate a replacement agreement.

Any Member may voluntarily withdraw from the Cape Light Compact JPE at the end of each calendar quarter upon at least ninety (90) days prior written notice. Withdrawal of such Member shall not affect any obligations entered into prior to the date of withdrawal which are binding by their terms on such member, including, without limitation, contracts directly entered into by such Member and financial contributions to the Cape Light Compact JPE made or agreed to be made by such member.

This Agreement may be terminated by collective agreement of all the Municipal Members; provided, however, the foregoing shall not be construed as limiting the rights of a Municipal Member to withdraw its membership in the Cape Light Compact JPE, and thus terminate this Agreement only with respect to such withdrawing Municipal Member.

Upon termination of this Agreement, any surplus money or assets in possession of the Cape Light Compact JPE for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement shall be returned to the then-existing Members in proportion to the contributions made by each, if applicable; if no contributions were made, surplus assets shall be distributed based on the relative populations of each Municipal Member. Payment of liabilities and disbursement of surplus money or assets shall also be in accordance with any rules, regulations and policies adopted by governmental authorities having jurisdiction over the Cape Light Compact JPE.

ARTICLE XVII: CONSTRUCTION AND SEVERABILITY

This Agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this Agreement shall be severable and if any phrase, clause, sentence or provision of this Agreement is declared to be contrary to the constitution of the Commonwealth of Massachusetts or of the United States, or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Agreement shall be held contrary to the constitution or the Massachusetts General Laws, the Cape Light Compact JPE shall remain in full force and effect as to all severable matters.

ARTICLE XVIII: THE CAPE LIGHT COMPACT JPE AS SUCCESSOR TO THE COMPACT; TRANSFER OF COMPACT'S ADMINISTRATIVE AND OPERATIONAL FUNCTIONS

A. The Cape Light Compact JPE's Status as Successor Entity to the Compact.

It is the intent of the Members that the Cape Light Compact JPE eventually serve as the successor entity to the Compact.

In order to provide for an orderly transition, the Cape Light Compact JPE and the Compact will coordinate transfer and succession plans in accordance with this Article XVIII.

Upon transfer of the Compact's operations as set forth in Article XVIII(D) (Transfer of Operations) below, and in accordance with applicable transfer and succession plans, the Cape Light Compact JPE shall assume all benefits, obligations and liabilities of the Compact.

B. Transfer of Administrative and Financial Functions.

Upon the Effective Date, the Cape Light Compact JPE will serve as the administrative and fiscal arm of the Compact. As soon as practicable, Compact staff will become employees of the Cape Light Compact JPE. At such time, the Cape Light Compact JPE shall assume responsibility for any and all loss, injury, damage, liability, claim, demand, tort or worker's compensation incidents that occur on or after the date personnel are transferred to the Cape Light Compact JPE. The Cape Light Compact JPE will also perform certain financial services for the Compact as set forth in a written agreement between the Compact and the Cape Light Compact JPE. The Cape Light Compact JPE may elect to delegate performance of such functions to service providers as set forth in Article IX(M) (Service Providers).

C. Transfer of Operations.

Unless such other date is established by the Governing Board, when the majority of the municipal members of the Compact join the Cape Light Compact JPE, the Compact and the Cape Light Compact JPE will develop an asset transfer and succession plan and, in consultation with DPU (and other governmental authorities if necessary or convenient), will establish an operational transfer date (no later than January 31, 2018, unless otherwise directed by DPU). Once such date is established, the Cape Light Compact JPE will notify the members of the Compact of the deadline for joining the Cape Light Compact JPE in order to participate in its aggregation plan. On or before the operational transfer date, the Cape Light Compact JPE will execute all documents and perform all acts necessary to transfer all programs, operational functions, tangible and intangible assets (including intellectual property), contracts and records of the Compact to the Cape Light Compact JPE so that the Cape Light Compact JPE is the legal successor to the Compact.

D. Meetings and Board Membership During Transition Period.

During the transition period, meetings of the Cape Light Compact JPE will occur immediately before or after scheduled meetings of the Compact. In order to provide for an orderly transition or for any other reason that a Municipal Member deems appropriate, a Municipal Member may appoint the same person to serve on the Cape Light Compact JPE's and Compact's Governing Boards.

ARTICLE XIX: MISCELLANEOUS

A. Principal Office.

The principal office of the Cape Light Compact JPE shall be located at such places as the Governing Board may establish from time to time.

B. The Cape Light Compact JPE Records.

The original, or attested copies, of this Agreement and records of all meetings of the Governing Board shall be kept in Massachusetts at the principal office of the Cape Light Compact JPE. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times for the inspection of any Municipal Member or Director for any proper purpose and as required by law. The records of the Cape Light Compact JPE shall be subject to the Massachusetts Public Records Act, G.L. c. 66, and shall be deemed public records, unless such records fall within the exemptions set forth in G.L. c. 4, §7, including exemptions for development of inter-agency policy and trade secrets or commercial or financial information.

C. Fiscal Year.

The fiscal year of the Cape Light Compact JPE shall begin on January 1st and end on December 31st.

D. Notices.

All notices, waivers, demands, requests, consents or other communications required or permitted to be given or made under this Agreement shall be in writing and if addressed to the Cape Light Compact JPE shall be sent to:

JPE Administrator
Cape Light Compact JPE
3195 Main Street
Open Cape Building
Barnstable, MA 02630

The Cape Light Compact JPE may change its address by sending a notice of change of address to all Members.

Members shall be required to send the Cape Light Compact JPE a notice each January setting forth the name, address and other contact information for its Director and alternate director, and the contact name and address for all notices to be sent to Members under this Agreement. If no address has been provided for notices, the Cape Light Compact JPE may use the Town Clerk's address for a Member as provided on its website.

A Member may change its address by sending a notice of change of address to the Cape Light Compact JPE.

Except for any notice required by law to be given in another manner, all notices, waivers, demands, requests, consents, or other communications required or permitted by this Agreement to be effective shall be in writing, properly addressed, and shall be given by: (i) personal delivery; (ii) established overnight commercial courier delivery service with charges prepaid or duly charged by the sender; or (iii) registered or certified mail, return receipt

requested, first class, postage prepaid. Notices given hereunder shall be deemed sufficiently given on: (i) the date of personal delivery if so delivered; (ii) the day after sending if sent by established overnight commercial courier delivery service; or (iii) the fifth day after sending if sent by registered or certified mail. The Cape Light Compact JPE and the Members may additionally provide notice by electronic mail, facsimile, or telephone communication, but this shall not relieve the notifying party of the obligation to provide notice as specified above.

E. Reports.

The Cape Light Compact JPE shall submit an annual report to each Member which shall contain a detailed audited financial statement and a statement in accordance with the Joint Powers Statute.

The Cape Light Compact JPE shall prepare a written annual report, in the format required by the DPU regarding the expenditure of energy efficiency funds for the previous calendar year. Such reports shall be filed with the DPU no later than August 1, unless filing or reporting requirements established by the DPU necessitate a different date, and posted to the Cape Light Compact JPE's web site within thirty (30) days of submission to the DPU. In addition, the Cape Light Compact JPE shall periodically prepare written overviews of the Cape Light Compact JPE's program activities for each Municipal Member for inclusion in its individual town annual reports.

Upon the transfer of operations as set forth in Article XVIII(C) (Transfer of Operations), for so long as is required by the DPU, the Cape Light Compact JPE shall submit an annual report to the DPU on December 1st of each year regarding its municipal aggregation power supply program. The annual report will, at a minimum, provide: (1) a list of the program's competitive suppliers over the past year; (2) the term of each power supply contract; (3) the aggregation's monthly enrollment statistics by customer class; (4) a brief description of any renewable energy supply options; and (5) a discussion and documentation regarding the implementation of the municipal aggregation's alternative information disclosure strategy. As approved by the DPU, the Cape Light Compact JPE may submit this report on a fiscal year basis.

F. Dispute Resolution.

The Members and the Cape Light Compact JPE shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Member and the Cape Light Compact JPE shall engage in nonbinding mediation in the manner agreed upon by the participating Member and the Cape Light Compact JPE. The Cape Light Compact JPE and Members agree that each Municipal Member may specifically enforce this Article XIX(F). In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within sixty (60) days after the demand for mediation or is made, any Municipal Member and the Cape Light Compact JPE may pursue any remedies provided by law.

G. Multiple Originals.

This Agreement shall be executed in accordance with the requirements of the Joint Powers Statute. Amendments to this Agreement requiring approval of Directors shall be executed by the Directors approving such amendments. Amendments to this Agreement requiring approval of the Municipal Members shall be executed in the manner set forth in the Joint Powers Statute.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and all of such signature pages shall be read as though one and shall have the same force and effect as though all of the parties had executed a single signature page.

H. No Partnership or Joint Venture in Contracts with Third Parties; Limitation of Responsibility.

In carrying out its purposes as described herein, and in entry into any third party contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, neither the Cape Light Compact JPE nor any of its Members shall be a partner or joint venturer with any third party. The relationship between the Cape Light Compact JPE (and/or its Members) on the one hand and the other party(ies) to such contract on the other hand shall be that of buyer and seller or agent for the buyer and seller, as the case may be. Nothing therein contained shall be deemed to constitute the Cape Light Compact JPE (and/or its Members) as a partner, agent or legal representative of any third party or to create a joint venture, agency or any relationship between the Cape Light Compact JPE (and/or its Members) and any third party other than that of buyer and seller or agent for the buyer and seller, as the case may be. The Cape Light Compact JPE and its Members have no responsibility to supply, distribute, transmit, meter, bill or otherwise provide electricity to any consumer and none is implied hereby or thereby. Nothing in this Article XIX(H) shall be construed as prohibiting the Cape Light Compact JPE from entering into a partnership or joint venture relationship with any organization in which it has a membership interest or affiliation.

I. Shared Legal Representation Involving Members or Other Public Entities; Official Duties of Cape Light Compact JPE Counsel.

The Cape Light Compact JPE may from time to time to retain counsel who may also represent its Members or other public entities in matters in which the Cape Light Compact JPE has a direct or substantial interest without violating G.L. c. 268A, subject to the consent and approval of all parties requesting legal representation (which may be one or Members, or one or more non-Member parties). Such dual or common representation allows the Cape Light Compact JPE to pool resources for a common purpose, develop mutual interests, and preserve public funds. The official duties of the Cape Light Compact JPE counsel include, but are not limited to, representing Members or other public entities in: (i) administrative and judicial

proceedings in which the Cape Light Compact JPE is also a party; (ii) contract negotiations or project development matters in which the Cape Light Compact JPE or its Members have an interest, and (iii) other matters in which the Cape Light Compact JPE has a direct or substantial interest, provided that in each instance, such dual or common representation would not cause a violation of rules governing attorney conduct. The Cape Light Compact JPE counsel shall discharge such duties only when requested in writing by the Cape Light Compact JPE's Governing Board. Prior to making such a request, the Cape Light Compact JPE's Governing Board shall determine whether the interests of the Cape Light Compact JPE would be advanced by such dual or common representation and shall evaluate if actual or potential conflicts of interest exist. If any conflicts are identified, they shall be described in the written request. Counsel shall then make its own determination whether such dual or common representation would not cause a violation of rules governing attorney conduct. Representation of the Compact and the Cape Light Compact JPE shall not be considered dual representation as the two entities shall function as two component parts of one legal entity for a transition period, and then the Cape Light Compact JPE shall serve as the successor entity to the Compact.

Should the provision in G.L. c. 268A limiting dual or common representation be amended or replaced after the Effective Date, the Governing Board may elect to follow any alternative procedures with respect to dual or common legal representation as provided by such statute.

[EXECUTION PAGES TO FOLLOW]

LIST OF EXHIBITS

Exhibit A – List of Members

Exhibit B – Weighted Voting

Exhibit C – JPE Administrator Responsibilities

EXHIBIT A

List of Members

EXHIBIT B

Weighted Voting

Name of Town	Population
Aquinnah	311
Barnstable	45,193
Bourne	19,754
Brewster	9,820
Chatham	6,125
Chilmark	866
Dennis	14,207
Eastham	4,956
Edgartown	4,067
Falmouth	31,531
Harwich	12,243
Mashpee	14,006
Oak Bluffs	4,527
Orleans	5,890
Provincetown	2,942
Sandwich	20,675
Tisbury	3,949
Truro	2,003
Wellfleet	2,750
West Tisbury	2,740
Yarmouth	23,793

For an example of weighted voting, if the Municipal Members consisted of the Towns of Barnstable, Bourne and Brewster, the total population of the three Municipal Members would be 74,767. For weighted voting purposes, Barnstable's vote would be weighted 60.45%, Bourne's vote would be weighted 26.42%, and Brewster's would be weighted 13.13%.

EXHIBIT C

JPE Administrator Responsibilities